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Official International Reserves

- Official International Reserves 2006 -

The Department of Finance announced today that Canada's official international reserves decreased by an amount equivalent to US$59 million during January to US$32,959 million.

Details on the level and composition of Canada's reserves as of January 31, 2006, as well as the major factors underlying the change in reserves, are provided below. All figures are in millions of US dollars unless otherwise noted.

Foreign Currency Reserves		
Securities		27,274
Deposits		3,674
Total securities and deposits (liquid reserves)		30,948
Gold[1]		62
Special drawing rights (SDRs)		907
Reserve position in the IMF		1,042
Total: January 31, 2006		32,959
December 31, 2005		33,018
	Net change	-59

Details on Deposits		
Other central banks/Bank for International Settlements		816
Banks headquartered in Canada		0
Of which: located abroad	0	
Banks headquartered abroad		2,858
Of which: located in Canada	0	
	Total	3,674

Details of Net Change	
Reserves management operations[2]	-358
Gains and losses on gold sales	0

Net investment gains and losses	
Return on investments[3]	-77
Foreign currency debt charges	-3
Revaluation effects[4]	379
Net government operations[5]	0
Official intervention	0
Other transactions	0
Net change	-59

Currency Composition of Deposits and Securities

US dollars	16,813
Euro	13,189
Yen	946
Total	30,948

Predetermined Short-Term Drains on Foreign Currency Reserves (Nominal Value)[6]

		0-1 month	1-3 months	3-12 months	Total
Foreign currency securities[7]	Principal	-769	-1,742	-2,123	-4,634
	Interest	-35	-185	-1,031	-1,251
Aggregate short forward positions in foreign currencies vis-à-vis Canadian dollar		0	0	0	0
Aggregate long forward positions in foreign currencies vis-à-vis Canadian dollar		0	0	0	0
Total net drains		-804	-1,927	-3,154	-5,885

Additional Information (Nominal Value)

Undrawn, unconditional credit lines with banks headquartered outside Canada	6,000
Securities lent under repurchase agreements[8]	-2,607
Securities held under repurchase agreements[9]	1,555
Financial derivatives assets (net, marked to market)	
Forwards	0
Swaps	2,801

Notes:

1. There were no sales of gold settled in January. On January 31, gold holdings stood at 0.1 million ounces. The valuation is based on the January 31, 2006, London p.m. fix of US$568.75 per ounce.
2. Net change in securities and deposits resulting from foreign currency funding activities of the Government. (Issuance of foreign currency liabilities used to acquire assets increases reserves, while maturities decrease reserves). During January, Canada bills decreased by US$358 million to a level of outstanding bills of US$1,819 million.
3. "Return on investments" comprises US$88 million of interest earned on investments and a US$165-million decrease in the market value of

securities resulting from changes in interest rates.

4. "Revaluation effects" reflect changes in the market value of reserve assets resulting from movements in exchange rates. In January, the revaluation effect was mainly due to the appreciation of the euro.
5. "Net government operations" are the net purchases of foreign currency for government foreign exchange requirements and for additions to reserves.
6. Predetermined short-term drains include the Government's contractual obligations in foreign currencies related to payments of principal and interest associated with securities and commitments under swaps and forward contracts coming due during the next 12 months.
7. "Foreign currency securities" include maturities of foreign currency debt, cross-currency swap payments and an estimate of interest payments on foreign currency liabilities.
8. "Securities lent under repurchase agreements" are included in total reserves. Collateral provided in securities-lending transactions is not included in total reserves.
9. Cash invested under repurchase agreements is included in total reserves. Collateral provided in securities-lending transactions is not included in total reserves.

Future Release Dates

The next release is March 3, 2006 (covering the period February 2006).

A list of upcoming release dates is posted on the Department of Finance website, located at www.fin.gc.ca/invest_x/releaseDates_e.asp.

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For further information on the Exchange Fund Account, please consult the 2004 *Report on the Management of Canada's Official International Reserves*, located at www.fin.gc.ca/toce/2005/oir05_e.html.

If you would like to receive automatic e-mail notification of all news releases, please visit the Department of Finance Canada website at www.fin.gc.ca/scripts/register_e.asp.

Official International Reserves (10-Year Synopsis)

	US dollars	Other currencies	Gold	SDRs	IMF position	Total
	(millions of US dollars)					
January 31, 2006	16,813	14,135	62	907	1,042	32,959
December 31, 2005	16,842	13,822	56	897	1,401	33,018
November 30, 2005	16,646	14,566	54	894	2,039	34,199
October 31, 2005	16,909	14,214	51	898	2,142	34,214
September 30, 2005	16,725	13,824	52	900	2,098	33,599

August 31, 2005	16,878	14,354	47	907	2,113	34,299
July 31, 2005	16,241	14,050	47	890	2,101	33,329
June 30, 2005	17,303	14,196	48	893	2,484	34,924
May 31, 2005	16,785	14,483	45	904	2,817	35,034
April 30, 2005	16,419	15,045	47	916	3,176	35,603
March 31, 2005	17,080	15,043	47	916	3,164	36,250
February 28, 2005	15,947	15,434	47	925	3,208	35,561
January 31, 2005	15,138	15,246	46	905	3,255	34,590
Dec. 31, 2004	14,426	15,740	48	925	3,327	34,466
Dec. 31, 2003	15,575	15,961	45	838	3,848	36,267
Dec. 31, 2002	17,946	14,739	205	712	3,567	37,169
Dec. 31, 2001	19,748	10,736	291	614	2,859	34,248
Dec. 31, 2000	21,692	7,327	323	574	2,508	32,424
Dec. 31, 1999	18,838	5,594	524	526	3,164	28,646
Dec. 31, 1998	15,907	4,004	122	1,097	2,297	23,427
Dec. 31, 1997	14,630	492	146	1,126	1,575	17,969
Dec. 31, 1996	17,521	507	155	1,168	1,227	20,578
Dec. 31, 1995	12,127	502	178	1,177	1,243	15,227

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